

Supportive Housing for Persons with Disabilities (Section 811)

January 2004

The Section 811 Supportive Housing Program for Persons with Disabilities provides funding to developers of housing for disabled, low-income households. It was created by the National Affordable Housing Act of 1990, which separated housing for people with disabilities from the Section 202 program. Section 202 now provides supportive housing for elderly persons. (See the Funding Summary on Supportive Housing for the Elderly (Section 202).)

PROGRAM BASICS

This program is administered by the U.S. Department of Housing and Urban Development. It provides capital advances (no-interest loans that are forgiven as long as program requirements are met for 40 years) to finance the construction or rehabilitation of supportive housing for persons with disabilities, including the purchase of buildings that need little or no rehabilitation for use as group homes. Section 811 also provides project rental assistance to cover the difference between the HUD-approved operating cost per unit and 30 percent of a resident's adjusted income.

ELIGIBLE ACTIVITIES

Applicants: Nonprofit corporations are eligible to apply.

Tenants: This program is for physically disabled, developmentally disabled, or chronically mentally ill persons (18 years of age or older) with very low incomes and their families. Families whose incomes are less than 50 percent of the median family income for the area in which the project is located may benefit from Project Rental Assistance Payments.

PROJECT REQUIREMENTS

Projects financed with Section 811 funds must remain accessible to very low-income persons with disabilities for 40 years or any Section 811 funds used to capitalize the

project must be repaid. Tenants pay approximately 30 percent of monthly adjusted income for rent and utilities, with the remainder of the established rent paid by Project Rental Assistance Contract (PRAC) funds. Rental assistance contracts are established according to HUD-approved operating budgets, last for five years, and are renewable. The payment amount is based on 75 percent of the project's estimated operating costs, the remaining 25 percent to be paid by tenant rents.

Projects are expected to start construction within 18 months of the date of fund reservation, with limited provision for extensions. Funds are advanced on a monthly basis during construction.

Comments

The Section 811 program can be used to develop three general types of housing: group homes, independent living facilities, and cooperative/condominium projects. The program does not provide funding for supportive services. Therefore, the project sponsor must demonstrate that necessary supportive services will be funded on a long-term basis. An application for a Section 811 fund reservation is made to the appropriate HUD field office in response to a Notice of Fund Availability published in the Federal Register (typically in the spring of each year). Selections are usually announced in September.

ADDITIONAL INFORMATION

For further information, contact the nearest HUD field office (see www.hud.gov/local) or HUD's national Multifamily Housing Clearinghouse at 800-685-8470 (TTY: 800-483-2209), or visit www.hud.gov/progdsc/multindx.html.

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